

Industry Sector Analysis

FINLAND

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VISIT USA MARKET

Mia Maki

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SUMMARY

In 2000, Finns took over 6.4 million trips abroad, out of which 2.4 million were leisure trips. The most popular destination was Spain, specifically the Canary Islands, followed by Greece and Italy. Europe accounts for almost 80 percent of all foreign travel (mostly package tours). The United States continues to be the most popular long-haul destination with over 93,600 Finnish arrivals in 2000. The share of business travel of the total outbound travel was about 20 percent.

The popularity of the United States as a long-haul travel destination is undiminished. It offers a large variety of activities to different travelers' segments. First time travelers, families with children and senior citizens favor Florida, whereas younger people and experienced travelers favor the West Coast. New York, Chicago, Boston, Los Angeles and Atlanta are the most important destinations for Finnish business people.

Although Finns generally favor "sun and sand" and city destinations, a growing number of travelers are looking for activity holidays. Local culture, golf, fishing, diving, sailing, skiing and many other activities have become important for Finns when traveling abroad.

There are 353 IATA sales offices/agencies in Finland, the majority of them being small operations. The total number of travel agencies in Finland is 417 (members of the Association of Finnish Travel Agents).

A. Market Highlights & Best Prospects

1. Market Profile

Finland has a population of over 5 million with 2.2 million households. In the past few years, there has been an increase in travel due both to the strong Finnish economy and a growing interest in foreign travel, favoring long-haul travel and travel to Mediterranean destinations. The majority of Finns traveling abroad favor "sun and sand" followed by city destinations. The most active travelers are from the capital region, in the age group of 45-64, well educated and belong to the upper middle class.

In 2000, Finns made over 6.4 million trips abroad out of which 2.4 million were leisure trips. European destinations account for almost 80 percent of all leisure trip departures (mostly package tours). The United States, Thailand, China, and India continue to be the most popular long-haul travel destinations. Caribbean and Central American destinations are also increasing their share of the long-haul market. The share of business travel of the total outbound travel was about 20 percent.

Summer is the high season for domestic and outbound travel. About 40 percent of foreign travel take place in June, July and August. Visiting friends or relatives is usually the most important reason for choosing a domestic destination, and "sun and sand" and city destinations for outbound travel. Although temperate destinations have the best sales prospects, the trend is that more travelers are looking for individual travel packages and are interested in various activities, such as local culture, nature or sports.

The United States represents about 11 percent of the long-haul destinations in the package tours category. According to the Association of Finnish Travel Agents, 9,948 package tours were sold to the United States in 2000. This is an increase of 9 percent from 1999. The total number of Finnish travelers to the United States was over 93,000.

2. Statistical Data

Data Table – USD Millions	1999	2000	2001
Total Travel	3,487	3,705	3,927
Domestic travel	3,923	4,119	4,325
Incoming travel*	1,311	1,398	1,468
Foreign travel*	1,747	1,812	1,866
Travel to the U.S.*	85	95	103

Exchange rate: \$1= FIM 6.5

* Source: Statistics Finland, Balance of Payments (travel), Preliminary Information.

Domestic travel and 2001 figures are unofficial estimates

Trends in Arrival – Finns to the United States (000)

Year	Arrivals	% Change
1996	79	11.4
1997	82	3.7
1998	85	3.5
1999	91	6.5
2000	94	3.3

Source: ITA, Tourism Industries

3. Best Sales Prospects

New York, Florida and California are the best sales prospects for the U.S. travel industry. These destinations offer easy combinations of various attractions – beach holidays, city tours, theme parks, culture, shopping, nature etc.

New York, Chicago, Boston, Los Angeles, Las Vegas, New Orleans and Atlanta are the most popular destinations for Finnish business travelers.

B. COMPETITIVE ANALYSIS

1. Domestic Travel

Finns travel more domestically than take trips abroad. The concept of a holiday home on a lake (summer cottage) is a cultural phenomenon. Almost 30 percent of domestic travel is to summer cottages. Summer holidays are usually taken in late June or July. Most Finns take a winter vacation as well, usually during school holidays in February and March.

Travel by Finns (000):

Domestic trips overnight trips	20,170
Leisure trips with paid accommodation	3,750
Trips to own holiday home or friends/relatives	13,850
Business travel/ professional trips	2,600

Source: Statistics Finland

2. Tourism to Third Countries

In 2000, Finns took over 6.4 million trips abroad out of which 2.4 million were leisure trips. European destinations account for almost 80 percent of the leisure trip departures (mostly package tours).

In the long-haul market, The United States competes mainly with Southeastern Asia. Thailand, China, India, Australia, Hong Kong, and the Near East (Bahrain, United Arab Emirates) have gained in popularity due to competitive package tours offered to these destinations. Caribbean and Central American destinations are also increasing their market share.

Package tours to long-haul destinations in 2000:

South East Asia	53,558
USA	9,948
Caribbean & Central America	12,723
India	6,248
Other destinations	10,430
Total	92,907

Source: Association of Finnish Travel Agents - AFTA

3. Tourism to the United States

The United States continues to be the main long-haul destination for Finns. In 2000, over 93.600 Finns traveled to the United States, a 3.3 percent increase from 1999. In general, each visitor spends about USD 1000 during their trip which is booked for two weeks on average.

First time travelers, families with children and senior citizens favor Florida, whereas younger people and experienced travelers favor the West Coast. New York, Chicago, Boston, Los Angeles and Atlanta are the most important destinations for Finnish business people.

The popularity of the United States as a travel destination is based on the large variety of activities it offers to different travelers' segments. It is easy to combine various attractions - beach holidays, city tours, theme parks, culture, shopping, nature, etc. Also, Finns find the American culture easy to adapt to due to its popularity in Finland.

The majority of tours are sold to Florida. Miami Beach, Fort Lauderdale, Lake Worth and Orlando are the major destinations. Finnish tour operators also offer tours with different combinations, e.g. one week in Miami combined with one week in Orlando. A trip to New York is also combined with Florida. California has recently gained popularity in Finland. Tours to the West Coast are often combinations of various destinations, like Los Angeles-Las Vegas-Grand Canyon-tour, Hollywood-Hawaii tours.

Finnair, the national carrier, is the only airline based in and operating flights from Finland to the United States. Finnair has daily non-stop flight service to New York's JFK and a marketing agreement including code-share with American Airlines.

Out of the U.S. airlines, Delta Air Lines has a sales office in Finland, America West and Continental have a representative, Northwest Airlines is represented by KLM, American is represented through sales office in Stockholm, Sweden. European air carriers British Airways, Icelandair, SAS, KLM, and Lufthansa are the major competitors for Finnair offering connecting flights to the U.S. destinations from other European cities.

C. END-USER ANALYSIS

While the overwhelming majority of Finnish travelers choose packages, usually air and accommodation, a growing number of Finns are moving to more individual travel. About 30-35 percent of travelers are purchasing air only and making other travel arrangements on their own.

Normally, Finns enjoy a five-week summer vacation and a one-week winter vacation. Therefore, travel abroad is spread evenly through out the year. The busiest season for long-haul travel is June-October. June, July and August are the most popular months for leisure travel. The high season for travel to the United States lasts from June to August and the low season from November to March. September-October and March-April in the spring are so-called mid-seasons. There is also a short high season from Christmas to New Year.

Although Finns generally favor "sun and sand" and city destinations, a growing number of travelers are looking for activity holidays. Local culture, golf, fishing, diving, sailing, skiing and many other activities have become important for Finns when traveling abroad. Therefore, Finns have shown interest for other destinations such as Alaska, Arizona, Hawaii, Nevada, and New Mexico.

As a result of the strong economy, especially in export industries, business travel to the United States has been increasing at the average of 10-15 percent during the last few years. According to Statistics Finland, Finns made over 53,000 business trips to the United States in 2000. In addition to the most important destinations for business people, mentioned above, several other destinations that are known for conventions and exhibits, such as Las Vegas in Nevada and New Orleans in Louisiana have gained in popularity.

D. MARKET ACCESS

1. Import Climate

There are no restrictions on Finnish foreign travel. From October 1, 1991, Finland has been included in the United States visa waiver pilot program for visits up to 90 days in length. This has made it considerably easier for Finns to travel to the United States.

There are 353 IATA sales offices/agencies in Finland, the majority of them being small. The total number of travel agencies in Finland is 417 (members of the Association of Finnish Travel Agents). Some of the larger Finnish travel agencies are associate members of international travel agencies such as American Express, Carlson-Wagonlit and Rosenbluth International.

2. Distribution/Business Practices

The major Finnish tour operators and travel agencies selling the United States as a travel destination have agreements with U.S. receptive tour operators and transportation agencies.

Internet is one of the working tools for Finnish tour operators and travel agencies.

Agents are accustomed to make flight, hotel and other bookings over the Internet and also use it to search destination information for their clients. However, direct booking with the U.S. travel product suppliers is not very common. Also, the majority of end-users are not very keen on using Internet when making their travel arrangements. They use Internet as a basic search engine for information on destinations. However, a majority of bookings are still made through travel agents.

Travel fairs and exhibitions are good places to reach out to the Finnish travel trade. Finnish travel agency representatives tend to visit ITB in Berlin, World Travel Mart in London and the Discover America International Pow Wow. Also, the annual Matka - International Travel Fair, a local travel trade fair in Finland, and other Scandinavian (Oslo, Stockholm) travel fairs offer good possibilities for travel destination promotion.

There is an active Visit USA Committee in Finland. It is a marketing cooperative consisting of airlines, car rental companies, hotels, cruise lines, tour operators and other organizations promoting travel and tourism to the United States. The main trade event organized by the Visit USA Committee is the annual Visit USA Travel seminar/workshop for travel professionals.

3. Financing

Payment methods differ from one tour operator to another. The modalities have to be negotiated with the supplier as they depend on the size of the tour operator. The most common arrangements are:

- Advance payment, in total or partial.
- Late payment, usually 14 or 30 days net or after the arrival of the client.

Money transfers by Swift are the most common. Bank checks and wire transfers are also used.

4. Trade Promotion Opportunities

Event: MATKA - International Travel Fair
Site: Helsinki Fair Center

Date: January 17-20, 2002
Organizer: The Finnish Fair Corporation
P.O. Box 21
FIN-00521 Helsinki
Tel: 358-9-150 9275, fax: 358-9-142 358
Internet: www.finnexpo.fi

MATKA - International Travel Fair is organized annually. It is the number one travel fair in Scandinavia ranked by number of visitors. The Visit USA Committee organizes an U.S. pavilion at the fair. Matka is open for both travel professionals and consumers. In 2001, Matka featured 1,829 exhibitors from over 59 countries and was visited by 72,512 visitors, 13,633 being travel professionals.

Event: Visit USA Seminar
Site: Helsinki
Date: March, 2002
Organizer: Visit USA Committee
c/o American Embassy
Commercial Service
Itainen Puistotie 14 B
FIN-00140 Helsinki, Finland
Tel: 358-9 171 931, fax: 358-9 635 332
Internet: www.usembassy.fi/visitusa.html

The annual Visit USA Travel seminar for travel professionals is the only trade event in Finland exclusively selling the United States as a destination. The seminar consists of lectures given by guest speakers from different United States travel destinations and a workshop.

Travel Trade/Consumer Magazines:

Ikkunapaikka
Matkamedia
Matkalehti
Matkailusilma

Other useful information:

Statistics Finland
Business Statistics
FIN-00022 Helsinki, Finland
Tel: 358-9-173 41, fax: 358-9-1734 2750
Internet: www.stat.fi

For further information on the Visit USA Market, U.S. companies are advised to contact:

Mia Maki
Commercial Specialist
American Embassy/Commercial Section

Itainen Puistotie 14 B
FIN-00140 Helsinki
Finland
Tel: +358-9-171 931, fax: +358-9-635 332
e-mail: mia.maki@mail.doc.gov

For additional information regarding market research specific to your products and services, ask about our Flexible Market Research and Customized Market Analysis programs by contacting us at 1-800-USA-TRAD(E) or www.usatrade.gov. Both reports provide timely, customized, reliable answers to your inquiries about a market and its receptivity to your products and services.

ISA Customer Satisfaction Survey

U.S. Department of Commerce
International Trade Administration
The Commercial Service

The U.S. Department of Commerce would appreciate input from U.S. businesses that have used this ISA report in conducting export market research. Please review the privacy statement / disclaimers at the bottom of this Web site. Please take a few moments to complete the attached survey and fax it to 202/482-0973, mail it to QAS, Rm. 2002, U.S. Department of Commerce, Washington, D.C. 20230, or Email: [Internet\[Opfer@doc.gov\]](mailto:Internet[Opfer@doc.gov]).

* * * About Our Service * * *

1. Country covered by report: _____

Industry/title: _____

Commerce domestic office that assisted you (if applicable):

2. How did you find out about the ISA service?

- ☐ Direct mail
- ☐ Recommended by another firm
- ☐ Recommended by Commerce staff
- ☐ Trade/state/private newsletter
- ☐ Department of Commerce newsletter
- ☐ Other (specify): _____

3. Please indicate the extent to which your objectives were satisfied:

- 1-Very satisfied
- 2-Satisfied
- 3-Neither satisfied nor dissatisfied
- 4-Dissatisfied

5-Very dissatisfied

6-Not applicable

- ☐ Overall objectives
- ☐ Accuracy of information
- ☐ Completeness of information
- ☐ Clarity of information
- ☐ Relevance of information
- ☐ Follow-up by Commerce representative

4. In your opinion, did using the ISA service facilitate any of the following?

- ☐ Decided to enter or increase presence in market
- ☐ Developed an export marketing plan
- ☐ Added to knowledge of country/industry
- ☐ Corroborated market data from other sources
- ☐ Decided to bypass or reduce presence in market
- ☐ Other (specify): _____

5. How likely would you be to use the ISA service again?

- ☐ Definitely would
- ☐ Probably would
- ☐ Unsure
- ☐ Probably would not
- ☐ Definitely would not

6. Comments:

* * * About Your Firm * * *

1. Number of employees: ☐ 1-99 ☐ 100-249 ☐ 250-499
☐ 500-999 ☐ 1,000+

2. Location (abbreviation of your state only): _____

3. Business activity (check one):

- ☐ Manufacturing
- ☐ Service
- ☐ Agent, broker, manufacturer's representative
- ☐ Export management or trading company
- ☐ Other (specify): _____

4. Value of export shipments over the past 12 months:

- ☐ Less than \$10K
- ☐ \$11K-\$100K
- ☐ \$101K-\$500K
- ☐ \$501K-\$999K
- ☐ \$1M-\$5M
- ☐ More than \$5M

May we call you about your experience with the ISA service?

Contact name: _____

Phone: _____

Fax number: _____

Email: _____

Thank you--we value your input!

This report is authorized by law (15 U.S.C. 1512 et seq., 15 U.S.C. 171 et seq.). While you are not required to respond, your cooperation is needed to make the results of this evaluation comprehensive, accurate, and timely. Public reporting burden for this collection of information is estimated to average ten minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the burden, to Reports Clearance Officer, International Trade Administration, Rm. 4001, U.S. Dept. of Commerce, Washington, D.C. 20230, and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0625-0217), Washington, D.C. 20503.

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